

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 A-01 MMO-04 FBO-06 AS-01 /023 W  
-----007004 060917Z /12

R 050715Z AUG 77

FM AMEMBASSY ABU DHABI  
TO SECSTATE WASHDC 6468

UNCLAS SECTION 1 OF 3 ABU DHABI 2257

C O R R E C T E D C O P Y (.MRN 2257 VICE 6468)

FROM AMBASSADOR FOR ASSISTANT SECRETARY THOMAS

E.O. 11652: N/A

TAGS: AMGT

SUBJ: CONGRESSIONAL INQUIRY

REF: (A) STATE 173492, (B) ABU DHABI 2241, (C) STATE  
081730

### 1. OFFICE OF CHIEF OF MISSION FY-76 FY-77 FY-78

A. OPERATING COST 176,855 181,542 190,193

B. NO. U.S. FSO 2 2 2

C. NO. U.S. FSS 1 1 1

D. NO. LOCAL EMPLOYEES 3 3 3

### 2. POLITICAL SECTION

A. 59,490 62,267 59,218

B. 0 0 0

C. 2 3 3

D. 0 0 0

NOTE: FSS, ITEM C, INCLUDES ONE PIT (PART-TIME TEMPORARY)  
AMERICAN RESIDENT-HIRE POSITION.

### 3. ECONOMIC/COMMERCIAL SECTION

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A. 223,015 238,672 245,844

B. 4 4 4

C. QD 0 0 0

D. 5 5 5

### 4. CONSULAR SECTION

A. 108,317 103,513 106,131

B. 1 1 1

C. 0 0 0

D. 3 3 3

## 5. ADMINISTRATIVE SECTION

A.	226,882	228,043	233,989
B.	2	2	2
C.	3	3	3
D.	6	6	6

NOTE: TOTAL ESTIMATED EXPENDITURES INCLUDING ALL S AND E COSTS AND AMERICAN SALARIES FOR QUESTIONS 1 THROUGH 5 ABOVE

	FY-76	FY-77	FY-78
ESTIMATED TOTAL	1,225,086	1,357,099	1,240,136
LESS ALL HOUSING, HOUSING SUPPORT COSTS, FURNITURE, FURNITURE TRANSPORT, ETC.:	- 460,527	- 543,062	- 404,761
EQUALS TOTAL OPERATING COSTS:	794,559	814,037	835,375

TOTALS FOR FY-78 MAY BE GREATER DEPENDING UPON FUNDING OF DISCRETIONARY ITEMS IN BUDGET AND UPON THE UNPREDICTABLE INCREASES IN RENTALS.

NOTE: FBO COSTS VARY PER YER DUE TO REQUIREMENT THAT SOME RENTALS BE PAID TWO YEARS IN ADVANCE.

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Y. N/A

7. N/A

## 8. UNITED STATES INFORMATION AGENCY FY-76 FY-77 FY-78

A. OPERATING COST	150,593	190,000	250,700
ROUGH ESTIMATES			
B. NO. U.S. FSO	1	1	2
C. NO. U.S. FSS	2	2	2
D. NO. LOCAL EMPLOYEES	5	5	5

NOTE: THE 2 FSS ARE RESIDENT-HIRE AMERICANS. ALSO, ONE OF THE FIVE LOCAL EMPLOYEE POSITIONS IN FY-76 WAS NOT FILLED.

9. N/A

10. N/A

11. N/A

## 12. BUREAU OF RECLAMATION - COUNTRY- FINANCED WATER SUPPLY AUGMENTATION PROJECT.

A. N/A. OPERATING COSTS NOT INCLUDED BECAUSE THEY ARE TOTALLY REIMBURSABLE BY UNITED ARAB EMIRATES GOVERNMENT.

	FY-76	FY-77	FY-78
B. E AMERICANS AT OFFICER LEVEL	0	0	3 (?)

GS-14, GS-12, AND FC-9

C. NO. U.S. FSS 0 0 0

D. NO. LOCAL EMPLOYEES 0 3 3 (?)

U.S. TREASURY DEPARTMENT - CUSTOMS

A. N/A. OPERATING COSTS NOT INCLUDED BECAUSE THEY ARE TOTALLY REIMBURSABLE BY UNITED ARAB EMIRATES GOVERNMENT.

B. 1 AMERICAN AT OFFICER LEVEL: GS-14 1 1 1

C. NO. U.S. FSS 0 0 0

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D. NO. LOCAL EMPLOYEES UNKNOWN UNKNOWN UNKNOWN

13. UNIMPROVED REAL PROPERTY: NONE

14. IMPROVED REAL PROPERTY: NONE. HOWEVER, EMBASSY ACQUIRING PROPERTY ON LEASE/PURCHASE AGREEMENT. SEE RESPONSE TO QUESTION 15, ITEM L.

15. REAL PROPERTY LEASED FOR 3 YEARS OR MORE: EACH ENTRY DESCRIBED IN FOLLOWING ORDER: ITEM, LOCATION ( ADDRESS), DESCRIPTION, USE, NET SQUARE FEE (GROSS SQ FOOTAGE NOT AVAILABLE), ANNUAL COST (MOST RECENT OR FY-77 COST), ANNUAL MAINTENANCE EXPENSE,

OCCUPANT: AGENCY, POSITION, GRADE. OCCUPANT CHARGES/FEEES NOT APPLICAAABLE.

A. FBO-002, W12 KHALIDIAH ABU DHABI, 4 BEADROOM HOUSE WITH SERVANTS QUARTERS, RESIDENCE, 1400 NET, 5 YEARS PLUS 2, \$32,106, \$4,551, STATE, DCM, FSO-4/6.

B. FBO-003, W18, KING KHALID ST ABU DHABI, 5 BEDROOM HOUSE WITH SERVANTS QUARTERS, RESIDENCE, 1400 NET, T YEARS, \$19,255, \$6,153, STATE, ADMIN OFF, FSO-4/2.

C. FBOCTAPPTA, W12 KHALIDIAH VILLA NO. 25 ABU DHABI, 4 BEDROOM HOUSE WITH SERVANTS QUARTERS, RESIDENCE, 1400 NET, 3 YEARS, \$23,154, \$3,498, STATE, ECON/COMM, FSO-4/1.

D. FBO-006A, W12 KHALIDIAH VILLA NO. 26 ABU DHABI, 4 BEDROOM HOUSE WITH SERVANTS QUARTERS, 1400 NET, 3 YEARS, \$23,154, \$3,415, STATE, ECON/COMM, FSR-6/6.

E. FBO-007, MANA AL OTEIBA BLDG ABU DHABI, 3 BEDROOM APARTMENT, RESIDENCE, 1200 NET, 5 YEARS, \$15,167, \$3,515, USIS, PAO, FSIO-3.

F. FBO-008, W18 AL MANASIR ABU DHABI, 3 BEDROOM HOUSE WITHS SHARED SERVANTS QUARTERS, 1200 NET, 5 YEARS, \$13,847, \$1,783, STATE, 2 OCCUPANTS: ECON/COMM OFF, FSO-6/4 AND CONSULAR OFF, FSO-6/1.

G. FBO-009, W18 AL MANASIR ABU DHABI, 3 BEDROOM HOUSE WITH UNCLASSIFIED

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SHARED SERVANTS QUARTERS, RESIDENCE, 1200 NET, 5 YEARS, \$13,847, \$2,760, STATE, COMM & RECORDS OFF, FSS-6/5.

H. FBO-010, W18 AL MANASIR ABU DHABI, 3 BEDROOM HOUSE (HALF OF DUPLEX), RESIDENCE, 1200 NET, 4 YEARS, \$12,837, \$3,297, STATE,

B&F OFF, FSO-7/4.

I. FBO-018, APT. 11 PLAZE BUILDING ABU DHABI, 3 BEDROOM APARTMENT, RESIDENCE, 1000 NET, 3 YEARS, \$10,783, \$3,191, STATE, TELECOMMUNICATIONS OFF, FSS-7/6.

J. FBO-018, APT. 7 PLAZE BUILDING ABU DHABI, 3 BEDROOM APARTMENT, RESIDENCE, 1000 NET, 3 YEARS, \$10,783, \$3,163, STATE, TELECOMMUNICATIONS SUPPORT OFF, FSS-8/3.

K. FBO-018, APT. 9 PLAZA BUILDING ABU DHABI, 3 BEDROOM APARTMENT, RESIDENCE, 1000 NET, 3 YEARS, \$10,783, \$2,260, STATE, POLITICAL ASSISTANT, FSS-7/5.

L. FBO-021, KHALIDIAH 37W, 5 BEDROOM RESIDENCE WITH LARGE GARDEN, SWIMMING POOL, QUARTERS FOR 3 SERVANTS, 3200 NET, 0 YEARS, 45 MONTHS, \$60,398 PER YEAR ON LEASE/PURCHASE ARRANGEMENT, MAINTENANCE COST INCLUDED IN QUESTION NUMBER 17, STATE, AMBASSADOR, A-01. LAND, 23,500 SQ. FT., WAS DONATED BY RULER OF ABU DHABI FOR USE BY USG FOR SITE OF AMBASSADOR'S RESIDENCE.

16. REAL PROPERTY LEASED FOR A PERIOD OF LESS THAN THREE YEARS. EACH ENTRY DESCRIBED AS FOR QUESTION 15.

A. FBO-001, THIRD FLOOR SHEIKH KHALID BUILDING CORNICHE ABU DHABI, 4 APARTMENTS OF 3 BEDROOMS EACH PLUS GENERATOR ROOM PLUS ROOF, WITH SIGNIFICANT STRUCTURAL CHANGES TO CONVERT INTO OFFICES, CHANCERY, 4470 NET, 2 YEARS (HAS BEEN EXTENDED SINCE ORIGINAL LEASE IN 1972), \$61,538, \$13,239 MAINTENANCE INCLUDING JANITORIAL SERVICES, STATE, OFFICE.

B. FBO-014, FIRST FLOOR SHIEKH KHALID BUILDING CORNICHE ABU DHABI, 3 BEDROOM APARTMENT CONVERTED WITH SIGNIFICAN STRUCTURAL CHANGES, OFFICE, 1000 NET, 1 YEAR, \$16,666, \$9,310 MAINTENANCE INCLUDING JANPORIAL SERVICES, USIS, OFFICE.  
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C. FBO-015, AL FUTTAIM BUILDING DUBAI, 3 BEDROOM APARTMENT CONVERTED WITH SIGNIFICAN STRUCTURAL CHANGES, OFFICE, 2300 NET, 2 YEARS, \$10,630, \$6,764 MAINTENANCE INCLUDING JANITORIAL SERVICES, STATE, EMBASSY BRANCH OFFICE IN DUBAI.

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-----108766 051246Z /44

R 050715Z AUG 77  
FM AMEMBASSY ABU DHABI  
TO SECSTATE WASHDC 6469

UNCLAS SECTION 2 OF 3 ABU DHABI 2257

FROM AMBASSADOR FOR ASSISTANT SECRETARY THOMAS

D. FBO-016, AL FUTTAIM BUILDING DUABI, 3 BEDROOM APARTMENT, RESIDENCE, 1200 NET, 2 YEARS, \$10,630, \$2,935, STATE, VACANT FOLLOWING ABOLITION OF DUBAI CONSULAR /COMMERCIAL OFFICER POSITION IN MARCH 1977. LEASE TERMINATES OCTOBER 1977.

E. FBO-017, AL JUMEIRAH VILLA 3A DUBAI, 4 BEDROOM HOUSE, RESIDENCE, 1400 NET, 2 YEARS, \$16,348, \$4,093, STATE, DUBAI OFFICER-IN-CHARGE (COMMERCIAL OFFICER), FSO-5/1.

F. FBO-019, APT. 36 AL JABER BUILDING AU DHABI, 3 BEDROOM APARTMENT, RESIDENCE, 1000 NET, 2NHEARS, \$13,938, \$3,116, STATE, AMBASSADOR'S SECRETARY, FSS-5/7.

G. FBO-019, APT. 37 AL JABER BUILDING ABU DHABI, 3 BEDROOM APARTMENT, RESIDENCE, 1000 NET4; 2 YEARS, \$13,9838, \$2,102, STATE, POLITICAL SECRETARY, FSS-8/2.

H. FBO-020, BATEEN ABU DHABI, SHELL OF UNFINISHED HOUSE CONVERTED (BY LANDLORD) WITH ADDITIONAL OALLS INTO WAREHOUSE BUILDING WITH EMBASSY OCCUPYING ENCLOSED SECTION WITH NO INTERNAL PARTITIONS, WAREHOUSE, 594 NET IN STATE-LEASED AREA ONLY, 2 YEARS, \$9,207, \$0,00 MAINTENANCE, (USIS TO USE SOME SPACE IN FY-78), FURNITURE AND OTHER LARGE ITEMS STORED.

17. PROVIDE FOLLOWING INFORMATION FOR BOTH AMBASSADOR AND DCM RESIDENCES.

NOTE: DATA NOT AVAILABLE FOR FY-74 AND FY-73 AS BUDGET AND FISCAL OPERATIONS HANDLED BY REGIONAL BFO IN KUWAIT AND DATA AVAILABLE IN ABU DHABI IS INCOMPLETE.

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#### AMBASSADOR'S RESIDENCE

A. EXPENSE	FY-77	FY-76	FY-75
OPERATING	6,664	2,440	1,213
MAINTENANCE	18,078	10,153	3,260
REFURNISHING	11,826	51,289	2,856
REMODELING	317275	0	0

NOTE: JANUARY 18, 1977 2 EMBASSY TOOK POSSESSION OF AMBASSADOR'S NEW RESIDENCE ACQUIRED IN A LEASE/PURCHASE ARRANGEMENT INCLUDED IN LEASE COSTS IN QUESTION 15, ITEM L. OPERATING COSTS FOR FY-77 INCLUDE SET-UP COSTS FOR UTILITIES, LANDSCAPING, POOL, ETC., FOR NEW RESIDENCE DURING ENTIRE FY, INCLUDING TIME BEFORE OCCUPANCY IN MAY 1977, AND ALSO OPERATING COSTS FOR OLD RESIDENCE DURING PERIOD AMBASSADOR IN OLD RESIDENCE. FIGURE FOR MAINTENANCE COSTS FY-76 AND FY-77 INCLUDES ONE-TIME ITEMS NOT COVERED BY CONSTRUCTION CONTRACT. REFURNISHING INCLUDES \$50,000 EXPENDED IN FY-76 FOR NEW FURNITURE FOR NEW RESIDENCE. REMODLING COST IN FY-77 IS COST OF WALL BUILT AROUND RESIDNCE AND GARDEN; THIS WAS PAID IN LUMP SUM AND IS NOT INCLUDED IN THE LEASE/PURCHASE AGREEMENT FOR RESIDENCE ITESLE.

B. SUPPLEMENTAL EXPENSE: NOT APPLICABLE.

#### DCM RESIDENCE

A. EXPENSES	FY-77	FY-76	FY-75
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OPERATING	2,450	1,873	833
MAINTENANCE	2,460	650	3,473
REFURNISHING	850 EST.	7,000 EST	W,812
REMODLING	1,763		

NOTE: DCM OCCUPIED AMBASSADOR'S OLD RESIDENCE JUNE 28, 1977.

DCM RESIDENCE EXPENSES INCLUDE EXPENSES FOLLOWING OCCUPATION OF THIS RESIDENCE LAST QUARTER FY-77, PAINTING AND OTHER MISCELLANEOUS EXPENSES BEFORE DCM MOVED IN, AND ALL EXPENSES ASSOCIATED WITH DCM'S PREVIOUS RESIDENCE. OPERATING EXPENSES INCLUDE YARD MAINTENANCE COSTS. FYI: PREVIOUS DCM RESIDENCE IS NOW STAFF RESIDENCE  
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NOTED IN QUESTION 15, ITEM B.

B. SUPPLEMENTAL EXPENSE: NOT APPLICABLE.

18. NUMBER OF HOUSING UNITS EMBASSY PROVIDES EMPLOYEES: 15.

NOTE: 14 OCCUPIED. 1 VACTED MARCH 1977 WHEN OFFICER TRANSFERRED AND WAS NOT REPLACED. LEASE TERMINATES OCTOBER 1977.

19. EMPLOYEES NOT RECEIVING GOVERNMENT OWNED OR LEASED HOUSING: TWO USIS RESIDENT-HIRE AMERICAN POSITIONS LISTED AS FSS DO NOT HAVE USG HOUSING. ALSO, ONE EMBASSY FSO AND ONE FSS (3085) ARE SPOUSES OF OTHER EMBASSY OFFICERS. NO FSL'S OCCUPY GOVERNMENT OWNED OR LEASED HOUSING.

20. NUMBER EMPLOYEES IN EACH GRADE PROVIDED OFFICIAL RESIDENCE ALLOWANCES AND AMOUNT OF THE ALLOWANCE.

GRADE	NUMBER	AMOUNT OF ALLOWANCE
A-01 (AMBASSADOR)	1	\$595 FY-77
FSO-4/6 (DCM)	1	-\$44 FY-77

NOTE: THESE ALLOWANCES ARE NOT FIXED BUT ARE THE COSTS OF OPERATING THE HOUSEHOLDS (HOUSEHOLD SUPPLIES, ETC.) AFTER "USUAL EXPENSES" PORTIONS ARE DEDUCTED. THE "USUAL EXPENSE" IS A PREDETERMINED REIMBURSEMENT TO THE USG FOR NORMAL NON-OFFICIAL USE OF RESIDENCES. THE AMBASSADOR PAYS \$1,700 PER YEAR; THE DCM PAYS \$900 PER YEAR. FIGURES ABOVE ARE ESTIMATED NET BALANCES CHARGEABLE TO USG IN FY-77 FOR HOUSEHOLD EXPENSES AFTER "USUAL EXPENSES" REIMBURSED TO USG. NOTE THE DCM BALANCE IS NEGATIVE; ESTIMATED HOUSEHOLD OPERATING COSTS ARE LESS THAN DEDUCTIBLE AND DCM EXPECTED TO REIMBURSE USG BY AN ESTIMATED \$44 MORE THAN IS EXPENDED BY USG.

21. FULLY DESCRIBED ALL RELATED SUPPORT PROVIDED TO EMPLOYEES USING GOVERNMENT OWNED OR LEASED HOUSING.

THE OFFICIAL RESIDENCE FOR AMBASSADOR AND DCM ARE COMPLETELY FURNISHED INCLUDING LINENS, FLATWARE, KITCHEN UTENSILS, CHINA, AND  
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CRYSTAL. YARD MAINTENANCE IS PROVIDED. ALL RESIDENCES ARE PROVIDED WITH BASIS FURNITURE AND DRAPERIES FOR ALL CROOKS, CARPETING IN LIVING/DINING AREA, AND WASHERS, DRYERS, REFRIGERATORS, FREEZERS, RANGES, AND WATER FILTERS. SEVERAL RESIDENCES HAVE BEEN PROVIDED WITH NEW FURNISHINGS IN FY-77 (PURCHASED AND FUNDED IN FY-76) AND ALL HAVE NEW OR NEARLY NEW FURNITURE. EMBASSY EXPECTS TO HAVE A 6 TO 8 YEAR REPLACEMENT CYCLE. THE EMBASSY PROVIDES COMPLETE MAINTENANCE AND REPAIR SERVICES AND PAYS ALL UTILITIES FOR ALL RESIDENCES. LANDLORDS DO NOT MAINTAIN PROPERTY AND WILL NOT NORMALLY CONTRACT TO DO SO.

22. FULLY DESCRIBE ALL RELATED SUPPORT PROVIDED TO EMPLOYEES NOT ELIGIBLE FOR GOVERNMENT OWNED OR LEASED HOUSING:  
RESIDENT-HIRE AMERICAN POSITIONS (FSS) 9 8, 7 8 -, \$ 3.?- 6  
(SEE QUESTION 19) HAVE NO SUPPORT BENEFITS EXCEPT THAT EMBASSY PAY EMPLOYEE MARRIED TO EMBASSY OFFICER AND OCCUPIES GOVERNMENT-LEASED QUARTERS. THESE EMPLOYEES MAY USE STATE POUCH MAIL FACILITIES.

23. ESTIMATE MAN-YEARS EMBASSY PERSONNEL DEVOTE ANNUALLY TO HOUSING MANAGEMENT AND MAINTENANCE;

HOUSING MANAGEMENT: E/4 MAN-YEAR  
HOUSING MAINTENANCE: 1/4 MAN-YEAR

NOTE: THESE ESTIMATES APPLY TO TIME SPENT BY EMBASSY PERSONNEL ONLY. EMBASSY CONTRACTS FOR GENERAL REPAIR, ELECTRICAL REPAIR, AIR-CONDITIONER MAINTENANCE, CARPENTRY, PAINTING, MASONRY, ETC.

24. DESCRIBE TYPE OF HOUSING SUPPORT YOU BELIEVE SHOULD BE FURNISHED BY THE DEPARTMENT OF STATE.  
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IN ABU DHABI (AND TO A LESSER EXTENT DUBAI) FOREIGN RESIDENTS ENCOUNTER CONSIDERABLE DIFFICULTIES IN LOCATING APPROPRIATE RESIDENCES IN RAPIDLY EXPANDING ECONOMY WHERE ALL HOUSING IS IN EXTREMELY SHORT SUPPLY. EMBASSY SHOULD AND DOES, PROVIDE HOUSING FOR ALL ASSIGNED AMERICAN EMPLOYEES OF THE MISSION, WHEREVER POSSIBLE ON BASIS OF MULTI-YEAR LEASES TO OBTAIN MOST ECONOMICAL HOUSING POSSIBLE UNDER EXISTING CIRCUMSTANCES. GIVEN DIFFICULT PROBLEMS OF LEASING (SEE BELOW), LANGUAGE BARRIERS, AND VIRTUAL LACK OF PROTECTION FOR INDIVIDUAL TENANTS IN LOCAL REAL ESTATE MARKET, EMBASSY ROLE IN NEGOTIATING AND ADMINISTERING LEASES IMPERATIVE IF EMPLOYEES ARE TO BE SPARED UNREASONABLE BURDENS OF BOTH PSYCHOLOGICAL AND FINANCIAL IN OBTAINING SUITABLE HOUSING. SIMILARLY, FAILURE OF LANDLORDS TO PROVIDE REGULAR ROUTINE MAINTENANCE AND REPAIR AS WELL AS HIGH COST AND SCARCITY OF MAINTENANCE SKILLS LOCALLY DICTATE EMBASSY ROLE IN CONTRACTING FOR AND MONITORING MAINTENANCE AND REPAIR SERVICES

FOR ALL EMPLOYEES. SOME SMALLER ECONOMIES OF SCALE ARE ALSO POSSIBLE IN THIS WAY. AT PRESENT, UTILITY COSTS ARE LOW DUE TO LOCAL GOVERNMENT SUBSIDIES. IT WOULD NOT BE UNREASONABLE FOR STAFF TO PAY OWN UTILITY BILLS BUT UTILITY COSTS ARE RISING (THEY JUMPED 150 PERCENT IN JULY 1977) AND FURTHER INCREASES WOULD MAKE UTILITY BILLS A SIGNIFICANT BURDEN ON EMPLOYEES. HIGH COST OF TRANSPORTATION AND EXTENSIVE TRAVEL TIMES FOR PERSON-ALLY OWNED FURNITURE MAKE USG PROVISION OF FURNITURE FOR ALL ASSIGNED AMERICAN EMPLOYEES ECONOMICAL AND PRACTICAL. NOTE: EMBASSY LOCAL EMPLOYEES DO NOT RECEIVE GOVERNMENT-PROVIDED HOUSING AND UTILITIES ALTHOUGH THIS IS PRACTICE WITH MANY PRIVATE COMPANIES HERE. MMFLS'S ARE INSTEAD PROVIDED WITH MODEST HOUSING/FAMILY ALLOWANCE AS PER LOCAL CUSTOM.

25. DESCRIBE ALL LOCAL HOUSING CUSTOMS AND LAWS WHICH YOU BELIEVE HAVE AN IMPACT ON U.S. EMPLOYEES (I.E., INDEXING OF RENTS, TERMS OF LEASE, ETC.)  
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LOCAL LAW IN ABU DHABI AND DUBAI DOES NOT PERMIT FOREIGN PERSONS OR ENTITIES TO OWN OR PURCHASE REAL ESTATE. CONSTRUCTION OF OFFICE OR RESIDENTIAL HOUSING FOR ITS EMPLOYEES (WITH EXCEPTION OF RECENTLY CONCLUDED LEASE/PURCHASE ARRANGEMENT FOR AMBASSADOR'S RESIDENCE) IS NOT AT THIS TIME PERMITTED. ALL EMPLOYEE HOUSING MUST THEREFORE BE LEASED IN REAL ESTATE MARKET CHARACTERIZED BY UNREASONABLY HIGH RENTAL DEMANDS, VIRTUALLY NO MAINTENANCE OF PROPERTIES BY LANDLORDS, AND VERY POOR QUALITY OF MOST CONSTRUCTION. MOREOVER, COMPLIANCE WITH LEASE AGREEMENTS CANNOT BE GUARANTEED. RECENTLY ABU DHABI LANDLORDS HAVE DEMANDED EXORBITANT (100 PERCENT OR MORE) INCREASES

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R 050715Z AUG 77  
FM AMEMBASSY ABU DHABI  
TO SECSTATE WASHDC 6470

UNCLAS SECTION 3 OF 3 ABU DHABI 02257

FROM AMBASSADOR FOR ASSISTANT SECRETARY THOMAS

ON EMBASSY-LEASED RESIDENCES DURING REMAINING YEARS OF EXISTING LEASES. THEY SUPPORT THESE DEMANDS BY REFERENCE TO AMBIGUOUS LEGAL INTERPRETATION OF SUDDENLY "REDISCOVERED" 1968 ABU DHABI REGULATION THAT ALL LEASES OVER FOUR YEARS MUST BE REGISTERED WITH



COURTS. LANDLORDS ASSERT ALL ALONG-TERM LEASES (NOE OF WHICH HAD BEEN SO REGISTERED) ARE NOW VOID AND ARE INSISTING THESE LEASES BE REPLACED WITH NEW ONES OF ONE-YEAR DURATION AT CONSIDERABLY HIGHER RENTS. GIVEN VERY TIGHT HOUSING MARKET WHICH STILL PREVAILS IN ABU DHABI AND HAS ONLY JUST PEAKED IN DUBAI, TENANT IS AT CONSIDERABLE DISADVANTAGE. AS MAINTENANCE AND REMODELING COSTS OF RESIDENTIAL PROPERTIES MUST NORMALLY BE BORNE ENTIRELY BY TENANT, LATTER WOULD FORFEIT HIS INVESTMENT IN MAINTENANCE AND REMODELING OF ONE RESIDENCE SHOULD HE FAIL TO RENEW LEASE. GENERALLY NEW RESIDENCES REQUIRE EXTENSIVE SET-UP EXPENDITURES AS WELL AS CONTINUING MAINTENANCE.

BECAUSE FRUSTRATIONS OF DEALING WITH LANDLORDS AND REPAIR/MAINTENANCE PERSONNEL FALL PRIMARILY ON ADMIN SECTION RATHER THAN ON EMPLOYEE, HOUSING DIFFICULTIES DO NOT USUALLY CAUSE SERIOUS MORALE PROBLEMS FOR AMERICAN EMPLOYEES AT THIS POST. HOWEVER, POOR MAINTENANCE OF AIR-CONDITIONERS BY COMPANY FROM WHICH THEY ARE LEASED IS NOW HAVING DELETERIOUS EFFECT ON TOLERANCE OF THOSE EMPLOYEES AFFECTED BY A/C BREAKDOWNS DURING WHAT EVEN ABU DHABIANS ADMIT IS UNUSUALLY HOT AND HUMID SUMMER. WERE BURDEN OF UNCLASSIFIED

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PURSUING LANDLORDS AND REPAIRMEN TO FALL ENTIRELY UPON INDIVIDUAL EMPLOYEE OR WERE HE REQUIRED TO NEGOTIATE AND PAY OUT OF POCKET FOR SPIRALLING RENTS AND MAINTENANCE OF REPAIR SYSTEMS, WE WOULD ANTICIPATE SERIOUS DIFFICULTIES IN RECRUITING AND RETAINING AMERICAN STAFF FOR SERVICE AT THIS HARDSHIP POST.

26. SHOULD THE USG BUILD OR BUY HOUSING FOR ITS EMPLOYEES UNDER YOUR SUPERVISION?

USG OWNERSHIP AND CONSTRUCTION OF AT LEAST SOME HOUSING SEEMS ONLY SOLUTION TO CURRENT DIFFICULTIES OF HIGH RENTS, UNPREDICTABLE INFLATION OF COSTS, POOR QUALITY AND APPEARANCE, BROKEN LEASES, ETC. EMBASSY HAS BEEN PROMISED PLOT OF LAND FROM ABU DHABI AUTHORITIES IN PROPOSED DIPLOMATIC ENCLAVE FOR NEW CHANCERY. UNFORTUNATELY, THIS PLOT IS NOT ONLY SMALL (60,000 SQ. FT.) AND IN LESS THAN IDEAL LOCATION, BUT LOCAL ORDINANCES PROHIBIT CONSTRUCTION OF STAFF HOUSING ON THIS SITE. EMBASSY IS CONTINUING TO NEGOTIATE WITH UAE FEDERAL AND LOCAL AUTHORITIES IN EFFORTS TO OBTAIN BETTER SITE (PREFERABLY ON UNDEVELOPED LAND ADJOINING PRESENT AMBASSADOR'S RESIDENCE). ANY AGREEMENT CONCLUDED WOULD IDEALLY INCLUDE PROVISION FOR CONSTRUCTION OF NUMBER OF STAFF APARTMENTS TO HOUSE EMBASSY'S SINGLE SECRETARIES, COMMUNICATIONS PERSONNEL, AND MARINE SECURITY GUARD (WERE LATTER TO BE ASSIGNED HERE). DECISION WHETHER TO BUILD OR CONTINUE TO LEASE HOUSING SUITABLE FOR OTHER PERSONNEL WITH FAMILIES AND/OR REPRESENTATIONAL RESPONSIBILITIES WOULD NEED BE LOOKED AT IN LIGHT OF ESTIMATED FUTURE TRENDS IN LOCAL REAL ESTATE MARKETS AS WELL AS WILLINGNESS OF LOCAL AUTHORITIES TO PERMIT ACQUISITION BY EMBASSY OF LAND ON SUFFICIENTLY LONG-TERM BASIS TO JUSTIFY HIGH COSTS OF

CONSTRUCTION.

27. NUMBER OF AUTOMOBILES OWNED BY USG: 5

NUMBER OF AUTOMOBILES LEASED BY USG: 0

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28. PROVIDE THE JOB TITLES AND GRADES FOR ALL EMPLOYEES ACCORDED  
DIPLOMATIC STATUS:

AMBASSADOR	A-01
DEPUTY CHIEF OF MISSION	FSO-4/6
ADMINISTRATIVE OFFICER	FSO-4/2
ECONOMIC/COMMERCIAL OFFICER	FSO-4/1
COMMERCIAL OFFICER	FSO-5/1
ECONOMIC/COMMERCIAL OFFICER	FSR-6/6
ECONOMIC/COMMERCIAL OFFICER	FSO-6/4
CONSULAR OFFICER	FSO-6/1
BUDGET & FISCAL OFFICER	FSO-7/4

29. PROVIDE THE JOB TITLES AND GRADES FOR ALL EMPLOYEES NOT  
ACCORDED DIPLOMATIC STATUS.

SECRETARY TO AMBASSADOR	FSS-5/7
COMMUNICATIONS & RECORDS OFF.	FSS-6/5
TELECOMMUNICATIONS OFFICER	FSS-7/6
CLERK/POLITICAL ASSISTANT	FSS-7/5
TELECOMM. SUPPORT OFFICER	FSS-8/3
SECRETARY	FSS-8/2
PIT: TEMP. CLERK-TYPIST	FSS-9/1

30. DESCRIBE ALL DIFFERENCES IN TREATMENT BY THE HOST COUNTRY  
TO THOSE ACCORDED DIPLOMATIC STATUS WHICH HAVE ECONOMIC CONSEQUENCES  
(I.E., LIMITATIONS ON OWNERSHIP OF PROPERTY OR IMPORTATION OF  
HOUSEHOLD GOODS, ETC.)

NO DIFFERENCE IN TREATMENT. OFFICIAL EMPLOYMENT BY THE EMBASSY, NOT  
DIPLOMATIC STATUS, CONFERS THE BENEFITS OF DUTY-FREE IMPORTS.  
SINCE CUSTOMS DUTIES ARE MINIMAL, DIPLOMATIC STATUS DOES NOT PROVIDE  
ANY SIGNIFICANT ECONOMIC BENEFITS. RESTRICTIONS ON AUTOMOBILE AND  
PERSONAL PROPERTY IMPORTATION, PURCHASING, OWNERSHIP, AND SALE  
ARE VIRTUALLY NON-EXISTENT FOR EMBASSY STAFF, OTHER FOREIGN RESIDENTS

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AND NATIONALS ALIKE. NO FOREIGN CITIZENS, INCLUDING DIPLOMATIC  
PERSONNEL, MAY OWN REAL PROPERTY IN EITHER ABU DHABI OR DUBAI.  
DIPLOMATIC MISSIONS HAVE REDUCED ELECTRICITY RATES FOR OFFICES AND  
RESIDENCES (AT 28 PERCENT OF STANDARD RATE UNTIL JUNE 30, 1977,  
AND AT 40 PERCENT OF STANDARD FROM JULY 1, 1977).

31. PROVIDE THE TITLES AND GRADES OF ALL EMPLOYEES PROVIDED

HOUSEHOLD STAFF, THE NUMBER OF STAFF PROVIDED AND THEIR COST.

AMBASSADOR A-01 3 SERVANTS FY-77 COST: 8,975.

NOTE: THIRD SERVANT HIRED MAY 1977 WITH NEW RESIDENCE READY FOR OCCUPANCY.

DEPUTY CHIEF OF MISSION FSO-4/6 2 SERVANTS AUTHORIZED  
BUT SINCE JUNE 1, 1977, ONLY 1 SERVANT EMPLOYED.  
FY-77 COST: \$6,116

32. FOR ALL LOCAL BANK ACCOUNTS WITHIN THE JURISDICTION OF  
THE EMBASSY (INCLUDING THOSE HANDLED BY A REGIONAL ACCOUNTING CENTER), PROVIDE THE FOLLOWING:

NAME OF ACCOUNT: U.S. DISBURSING OFFICE, REGIONAL FINANCE  
CENTER, PARIS

PURPOSE: TRANSMITTING FUNDS FOR ALL EMBASSY OPERATIONS INCLUDING PAYROLL, EXPENDITURES FOR OTHER USG ACCOUNTS AUTHORIZED THROUGH U.S. EMBASSY ABU DHABI, AND RECEIPT OF CONSULAR FEES AND PROCEEDS OF SALE.

BALANCE AS OF 6/30/77: DIRHAMS 428,637.26 OR DOLLARS 110,274.57  
AT THAT DATE'S EXCHANGE RATE OF 3.887 DIRHAMS PER DOLLAR.

DEPOSITORY: FIRST NATIONAL CITY BANK, ABU DHABI BRANCH.  
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NOTE: THIS BALANCE INCLUDES DH 280,000 (DOLLARS 72,034.99) IN RENTAL CHECKS, RECEIPT OF WHICH HAS BEEN REFUSED BY LANDLORDS WHOSE DEMANDS FOR HIGHER RENTS DESPITE UNEXPIRED LEASES ARE BEING RESISTED BY THE EMBASSY.

THE EXCHANGE RATE AS OF AUGUST 3, 1977, IS 3.887 UAEG DIRHAMS PER DOLLAR. THE RATE FLUCTUATES SLIGHTLY; FLUCTUATION IS NOT A SIGNIFICANT FACTOR IN U.S. COSTS. SINCE JULY 1975 THE BUYING POWER OF THE DOLLAR EXPRESSED IN DIRHAMS HAS DECLINED BY 1.52 PERCENT. WRAMPELMIER

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009